

*Please provide a transition plan that outlines the functions currently owned by your national team and steps to shift ownership of those to a regional team.*

### **Overview**

Since the decision was made in January to transition the Aspire Memphis region and schools to an independent and locally-operated organization over the next 12-18 months, we have begun thoughtfully planning for the transition with our local regional office and schools and the Aspire National Leadership Team and Home Office. This process is being led by Nickalous Manning (Memphis Area Superintendent) and Priscilla Everhart (Memphis Regional Director of Operations) in partnership with leaders of Aspire National, including Casey Hoffman (Interim Chief of Staff), Mary Cha-Caswell (Chief Operating Officer), and Michael Wimbish (Director of Finance). We are also engaging external experts throughout this process, including legal support, project management support, and business consultant support. Below are more details regarding our process of working through how national supports will shift locally, the new local organizational structure, fiscal planning, and key owners and timelines for next steps. Once we align on the Achievement School District and Shelby County Schools on the transition plan and what will be required for the new local organization, we will create a more detailed timeline for when the new local organization will be established.

### **New Local Organization Structure**

At present, Aspire Public Schools TN, LLC, is a single member subsidiary LLC of Aspire Public Schools, Inc., a 501(c)(3) public charity. As discussed with representative of TDOE and the Shelby County Schools, it is our intention for Aspire Public Schools TN, LLC, to be split off from its parent organization and become an independent charity in its own right, including obtaining its own, separate, 501(c)(3) tax-exempt status. The newly independent, locally-operated Aspire Memphis organization will be a 501(c)3 nonprofit with a local governing Board of Directors. If our legal counsel, ASD, or SCS informs us that a different organizational structure is necessary then we will adjust to pursue that structure instead.

An Executive Director (current Superintendent Nickalous Manning) will report to the local Board and oversee the four schools, while managing a local support team. The local support team structure was designed by analyzing support structures for other Charter Management Organizations of similar size, and has been vetted with the support of external partners. We are confident that we have the team to be able to meet the demands of our children, families, teammates, and compliance. Below is a table of major functions of the new local support team that includes the roles within each major function. We have begun to lay the groundwork for the transition to this new structure, including developing and communicating transition plans to effected teammates and posting for new

roles. Our goal is to have this new local support team in place for the 2019-20 school year, while we continue to transition national supports and stand-up the new local organization. The regional support structure, with the exception of the two roles in red below, already have existing regional team members in the roles. The two new roles will be filled before June 30, 2019.

<b>Executive Director</b> (1) Special Projects Manager			
VP, Schools	Managing Director, Curriculum, Instruction & Assessment	VP, Finance & Operations	Director, Development
(4) School Principals (1) Director, Special Populations & Student Services (1) Special Populations Specialist (1) Student Services Specialist (1) Gifted Analyst (1) Special Projects Manager	(3) Content Specialists	(1) Director, Finance & Compliance (1) Facilities Manager (1) IT Manager (1) Recruitment Manager	

In addition to the local support team identified above, we will be contracting externally for local back office supports. This exact scope of services has not yet been determined, but we will likely be seeking contracted back office support in the following areas: Accounting, Payroll, Technology/Systems Mgmt, etc.

### **National Support Transition**

Currently, the Aspire National Home Office provides supports and services to the Aspire Memphis region above and beyond the supports and services that the Aspire Memphis Regional Office provides to the Aspire Memphis schools. The Aspire Memphis schools contribute 5% of their revenues to fund these Home Office supports. We are currently in the process of meeting with each Home Office team that supports the Memphis region to align on the plan for transitioning supports to the new local Memphis team. The plan for the transition of supports is being customized for each team based upon the nature of the work and the projected capacity of the new local Memphis team.

There will be no change in supports for the rest of the 2018-19 school year and the support transition for each of the teams will occur at one of three potential time points: July 1, 2019, January 1, 2020, or July 1, 2020.

Below is a table of the Home Office teams and current thinking about when supports will transition to the local Memphis team:

Team	Rough Timeline for Support Transition	New Local Owner
Academic Program Support	7/1/20	-Managing Director, Curriculum, Instruction & Assessment -Managing Director, Schools
Special Education	7/1/20	-Director, Special Populations & Student Services
Accounting & Payroll	Phase 1 - 1/1/20 Complete - 7/1/20	Outsource Locally
Finance	Phase I - 7/1/19 Complete - 7/1/20	VP, Finance & Operations
Data & Analytics, Information Management	Phase I - 1/1/20 (shift as new systems come online) Complete - 7/1/20	VP, Finance & Operations -Some Supports Outsourced
IT	Phase I - 7/1/19 Complete - 7/1/20	-IT Manager -Some Supports Outsourced
Advancement (communications, development, etc.)	Phase I - 7/1/19 Phase II - 7/1/20	Director, Development
Employee Services	Phase I - 7/1/19 Benefits Open Enrollment with new org - 11/1/19 Complete - 1/1/20	Director, Compliance and HR
Operations	7/1/19	VP, Finance & Operations Operations Manager
Human Resources	7/1/19	Director, Compliance and HR
Talent/Recruitment	7/1/19	Recruitment Manager
Credentials	7/1/19	Recruitment Manager

### Fiscal Planning

We are currently in the process of budget planning for the 2019-20 school year as part of the typical Aspire budget planning cycle. We have had initial meetings with each school leadership team and regional leaders to define budgets for next year, as well as 3-year budget projections. These financial models are serving as helpful forecasts for the financial planning of the transition. We will continue to partner with our Aspire National Home Office finance team throughout this process and we plan to continue receiving support from our National finance team throughout the 2019-20 school year.

As far as financial reporting, the Memphis regional office will be submitting financial reports to authorizers during the 2019-20 school year. The financial audits will be conducted as usual by the Aspire National Office for the 2019-20 school year by the same auditor.

We are working closely with our local and national funders on these financial models to ensure that there are no surprises along the way and we are confident that we have a thorough and sound financial model in place. There is a funding plan in place through 2020-21 to support the transition and we will share additional details once the funding agreements are finalized. Once we are further along in our budget planning process, we would be happy to share our local office and school budgets for 2019-20.

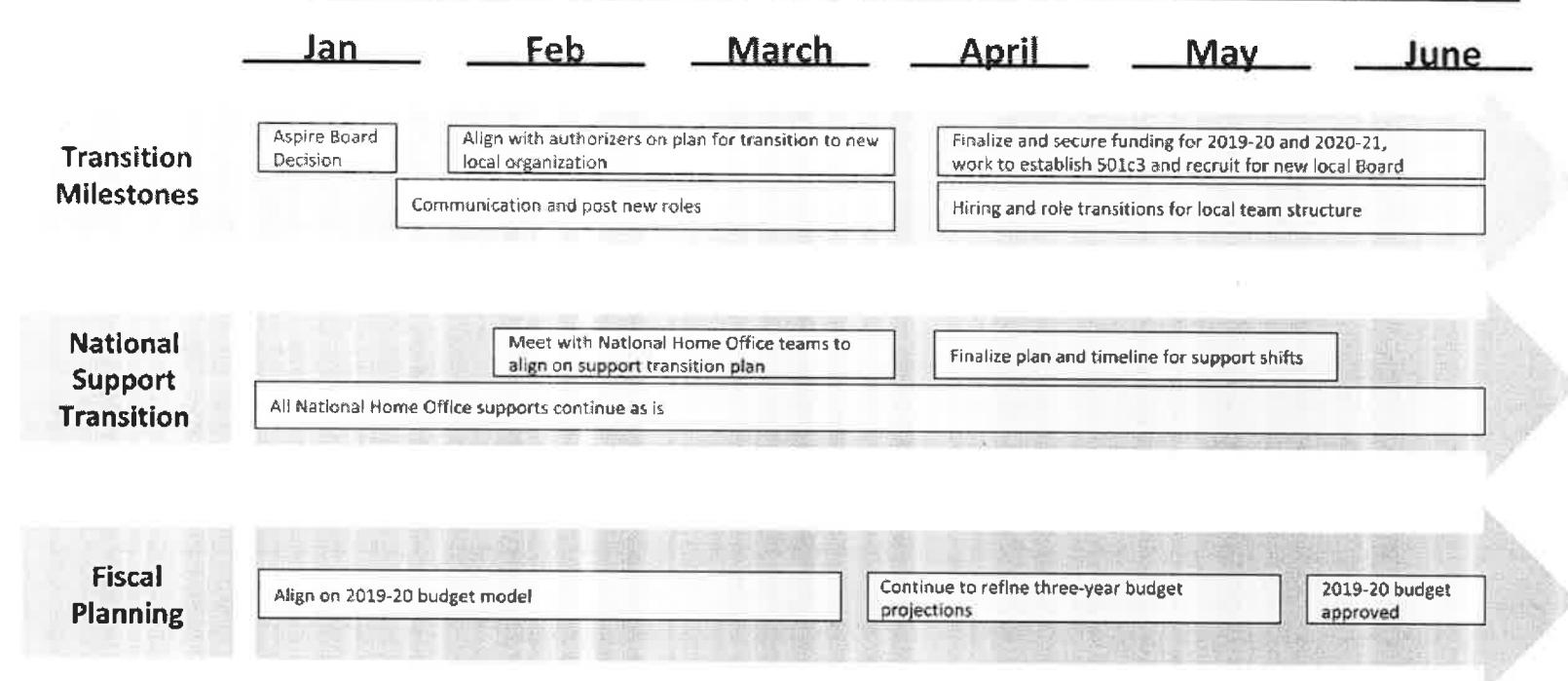
#### **Key Owners and Initial Timeline for Near-Term Transition Steps**

Workstream	Timeline (first half of 2019)	Point Person	Support
New local org structure	Feb-Apr - finalize plan and timeline for organizational restructuring	Nick/Mary	Priscilla/Casey
Governance	Mar-June - Recruit for new local Board of Directors TBD - Establish and train new local Board of Directors	Nick	Mala/Mary/Jessica/Bess
Authorizers/charters	Jan-Mar - align with authorizers on plan for transition	Nick/Priscilla	Mary/Amy

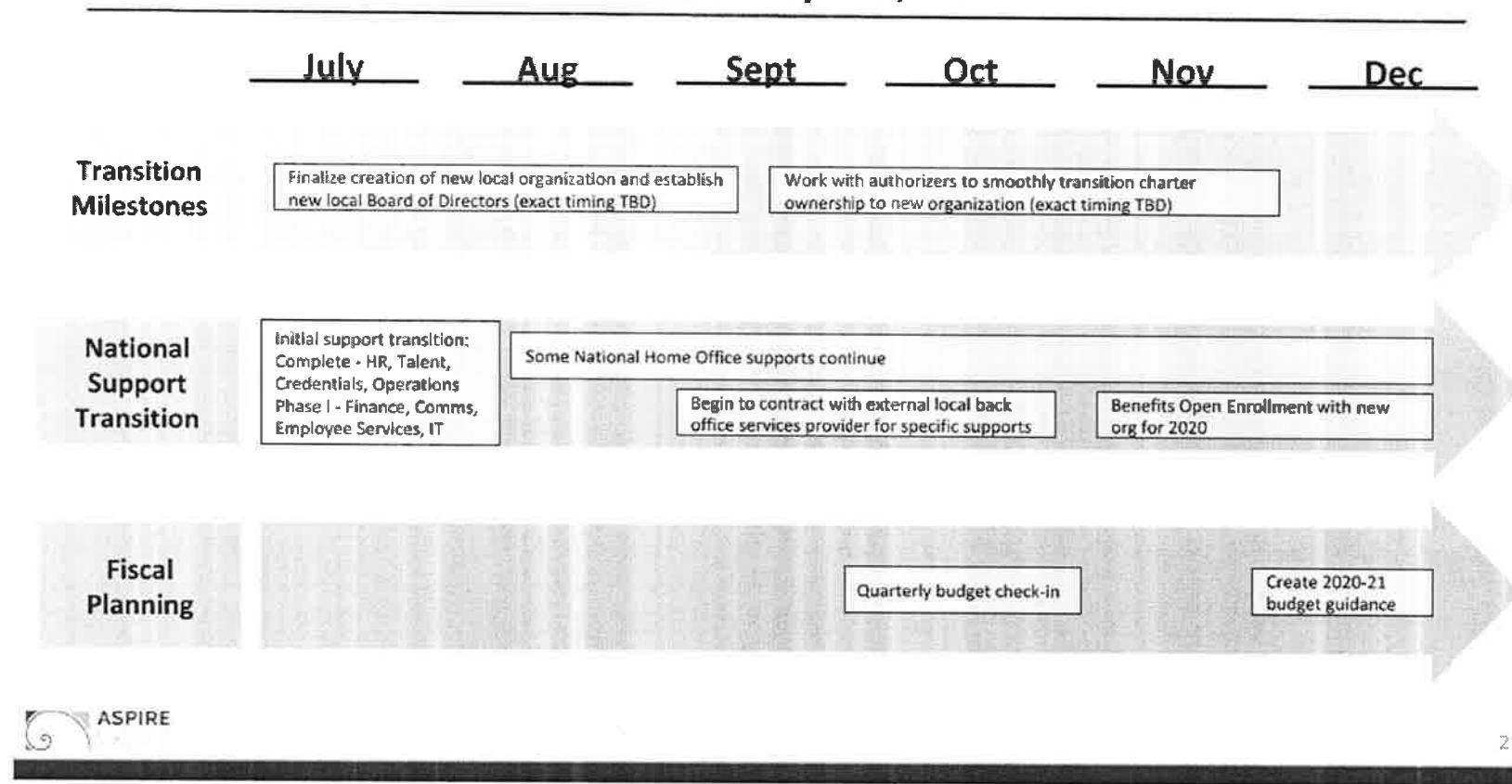
Staffing shifts for 19-20	Jan-Feb - Communicate Feb - Finalize Job Descriptions/Post New Roles Mar-Apr - Hiring May-June - Role Transitions	Nick/ Priscilla	Steph/ Ramone/ Kara
Budgeting	Jan-Mar - Align on 2019-20 budget model Apr-May - Continue to refine three-year budget projections June - 2019-20 budget approved	Michael	Casey/ Priscilla/ Jeanine/ Ben
Secure funding	Mar-June - finalize funding agreements from local and national funders	Nick	Mala/Ian
National support shifts for 19-20	Feb-Mar - Meet with each National Home Office team Apr-May - Finalize plan for support shifts	Priscilla/ Casey	Michael/ Mary/Karen - other depts

## Overall Timeline Visual

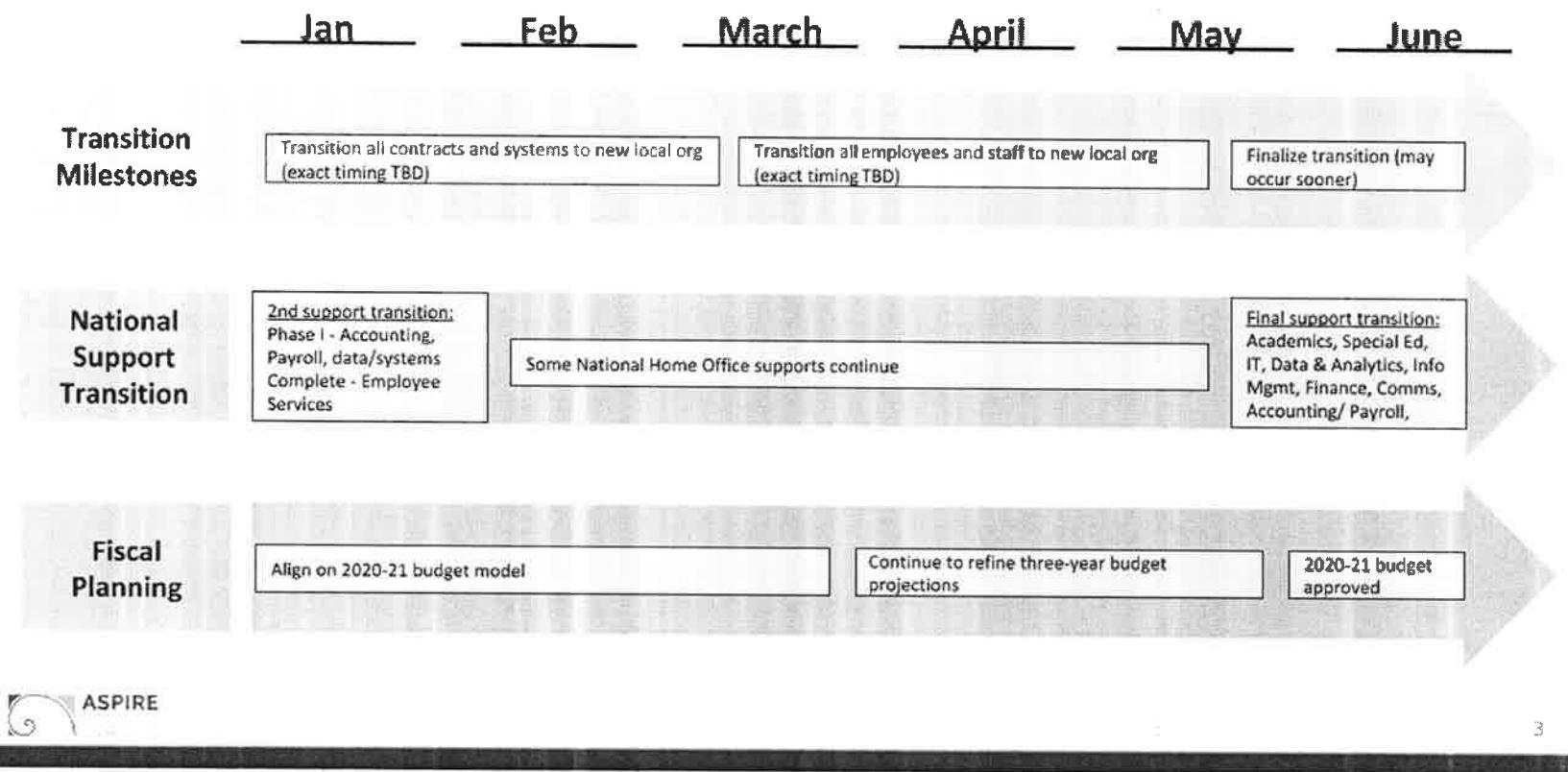
### Aspire Memphis Transition Timeline - Jan-June, 2019



## Aspire Memphis Transition Timeline - July-Dec, 2019



## Aspire Memphis Transition Timeline - Jan-June, 2020





Aspire Public Schools TN, LLC  
6870 Winchester Road  
Memphis, TN 38103

To Whom it May Concern:

### **Background on Aspire Public Schools in Memphis**

1. Aspire Public Schools, Inc. ("Aspire") has operated charter schools in the State of California since [YEAR]. Having successfully done so for several years, Aspire was asked to grow outside of California. In 2010, we started to consider it. By 2011 we began to get to know the city of Memphis and started to fall in love. We loved the vision and energy to work collaboratively to improve education in this great city. It aligned with our mission and core values.
2. In 2012, the "Achievement School District" (ASD) recruited Aspire to Memphis to operate existing schools that were currently performing in the bottom 5 percent of schools in the Tennessee.
3. This was an incredible opportunity for Aspire to support a community with a need for high quality schools and to expand our impact at a time when growth in California was increasingly constrained by finances and facilities.
4. Aspire, a 501(c)(3) public charity, created a single member subsidiary limited liability company, Aspire Public Schools TN, LLC, in 2013, to manage and operate its Memphis-area charter schools. As a single member LLC, wholly owned by Aspire, Aspire Public Schools TN, LLC is considered to be a "disregarded" entity for tax and 501(c)(3) tax exemption purposes by the Internal Revenue Service.
5. The charter application of Aspire was approved by the Shelby County Board of Education in 2013.
6. In 2013, Aspire joined a number of other operators in entering the ASD, and for the first time in Aspire's history, operated schools outside of California.
7. Aspire included a planning year to build roots in Memphis and get to know the community and the educational landscape before operating schools in Memphis.
8. Aspire took on the existing Hanley Elementary and grew to add Hanley Middle School, adding Coleman in 2014. We then opened East Academy in 2016 as a "fresh start" school, separate from the ASD. We were fortunate to have generous and critical local funding as we started up our Memphis schools and region.
9. Significant interest from existing Aspire talent to move to Memphis helped seed our new schools, and was a testament to the commitment of the organization to ensure the Memphis schools had the best Aspire had to offer.
10. Of the 30 schools comprising the ASD, 9 have performed to the level of moving out of the bottom 5 percent schools, including both Aspire Hanley Elementary and Aspire Coleman. Aspire Hanley Middle has also shown promising results, earning the highest rating of 5 out of 5 on the measure of student growth in Tennessee in its first year (Tennessee Value-Added Assessment System, or TVAAS).

### **The Decision Making Process**

1. After five years operating our region in Memphis, we began to consider more deeply whether alternative structures might be better suited to serve our Memphis teammates, families, and scholars.
2. In 2018, the Aspire Board asked a team of internal and external partners to assess four possible scenarios: 1) continue to operate with a similar structure with Aspire Memphis schools being part of Aspire national and make adjustments to be less reliant on philanthropy; 2) merge with another local operator; 3) design a model in which the Memphis schools are more loosely affiliated with Aspire national - with some core services provided by Aspire Home Office and some services provided locally; and 4) operate the Aspire Memphis schools as an independent, locally-operated charter management organization.
3. A "Memphis Task Force" was formed, with members selected by the Board to ensure a cross-functional representation of the local Memphis Regional Leadership Team, Aspire Executive Team, Finance Team, Board of Directors,

and external partners with expertise in school growth, and the organizational design and effectiveness of charter organizations.

## **The Decision to become an independent, local CMO**

1. We are always thinking about how to best structure our regions to best serve our students.
2. There were two key factors that drove the decision to become a local, independent charter management organization-- both centered on how best to serve the students and families at the four Aspire Memphis Schools.
  - a. The first, was the increasingly complex work of customizing our instructional approach, which has been based on our California programming, to fit the particular needs of our Memphis schools. Working each year to make the necessary adjustments increased the likelihood that our academic program might not be the exact fit for Memphis' needs.
  - b. Second, when we launched in Memphis, and our other regions, we developed a growth plan that would make it possible to serve our scholars exceptionally well within the scope of available public (local, state, federal) funding. Memphis has since decided to focus on the quality of the academic experience instead of rapid scale, and are thankful for philanthropic support to ensure we are able to provide our academic services.
3. When we shifted our growth targets, local and national philanthropy began to play an even more critical role in resourcing our four Memphis-based schools. By shifting to a local model, that philanthropic support will continue to allow us to deliver on promises to students & families.
4. The task force recommended, and our local Memphis team and the national board of directors agreed, that the best path forward was for Aspire Memphis to move toward becoming an independent, locally-operated charter management organization.
5. Our primary local funder is committed to continuing to support Aspire Memphis as a local network.
6. A smaller, local network would allow for more immediate responsiveness by tailoring the program to local context. This shift would also alleviate burdensome travel and support challenges between CA and TN

## **The Path Forward and Transition**

1. This is an incredible opportunity to take a more localized approach to manage our schools while continuing to build on the foundation of academic excellence and equity that has driven our progress over the last six of years.
2. This opportunity will allow us to establish local governance, resulting in greater accessibility for families to board members
3. The Aspire Public School's Board of Directors voted (*unanimously*) for Aspire Public Schools Memphis to take steps towards becoming an independent, locally-operated charter management organization.
4. Over the next 12-18 months, with continued support from the Aspire home office, we will transition operational responsibility of all four Memphis schools to a local nonprofit organization--Hanley Elementary, Hanley Middle School, Coleman Elementary and Aspire East Academy.
5. After this time, this new network of schools will be completely separate from Aspire and have autonomy over all aspects of the four schools in the network and will be managed by a local Board.
6. Aspire and Aspire Public Schools TN, LLC, will undertake the necessary corporate actions for Aspire to divest its ownership of Aspire Public Schools TN, LLC, whereby Aspire Public Schools TN, LLC will become an entirely independent nonprofit organization. Upon the separation of Aspire and Aspire Public Schools TN, LLC, the latter will file a Form 1023 Application with the Internal Revenue Service for its own, independent 501(c)(3) tax-exempt status.
7. This transition will give Memphis governance over all aspects of the organization--academics, budget, human resources, etc., allowing the newly formed organization to tailor resources to Memphis scholars' needs. It is anticipated that Aspire and Aspire Public Schools TN, LLC will, to the extent necessary, enter into service agreements for certain administrative needs of the schools and Aspire Public Schools TN, LLC during the transition period.
8. The transition will take 12-18 months.
9. Throughout the transition period, the schools will continue to operate as Aspire Memphis. By completion of the transition period, Aspire Public Schools TN, LLC will have taken first-hand control of all aspects of the operation of the entity and its schools, and the above-referenced service agreements, if any, will terminate.

## Aspire Memphis is positioned to thrive in this new structure

1. *More Robust Local Leadership:* There is a strong foundation in place to ensure all four Memphis schools continue to show progress. A local Board of Directors and more robust local leadership team will move decision-making and supports closer to our Memphis schools.
2. *Leadership:* Dr. Manning has an unwavering commitment to his hometown and deep love for each of the Aspire Memphis schools. As Superintendent, he has already begun implementing his vision for success. The Memphis local leadership (regional and school leaders) believe in an independent, locally-operated model and are well-positioned to lead both the transition and the new org while preserving the strong culture of our schools and local organization

*"While the decision is complex, it is truly an honor to have Memphians at the table making decisions for the scholars in Memphis. I believe that the people closest to the work have the deepest understanding of how to support the students in our city." - Aspire Memphis Principal*

3. *Instructional Quality:* We continue to refine proven instructional methods leading with a deep understanding of standards, of implementation intellectual prep, weekly data meetings, and teacher and leader coaching.
4. *Academic Progress:* The data suggests that Aspire Memphis is on track to improve student achievement in Mathematics and English Language Arts for the 2018-19 school year.

### **ELA Highlights:**

- Five point increase in the proportion of scholars performing in the top quartile on KIPP EOM 1 from 17-18 to 18-19
- Nearly half of grade levels across the region increased the proportion of scholars performing in the top quartile on KIPP end of module 2 from 17-18 to 18-19\
- We are on track to meet or exceed our AMOs based on the proportion of scholars scoring at 60% or above on End of Module assessments

KIPP Wheatley Proficiency (% in Top Quartile)					
	AHE	AHM	COL	East	Overall
17-18 Module 1	22%	12%	13%	46%	21%
18-19 Module 1	20%	6%	24%	51%	26%
17-18 Module 2	17%	6%	18%	53%	22%
18-19 Module 2	11%	9%	15%	39%	18%

### **Math Highlights:**

- Nearly 20% of our scholars performed in the top two quartiles on the recent interim.
- We are on track to meet our AMOs based on the proportion of scholars scoring at 60% or above on the interim
- Third grade had the largest proportion of scholars performing in the top quartile and the smallest proportion performing in the bottom quartile.

3-8 Fall Math Interim					
	AHE	AHM	COL	East	Overall
17-18 % Top Quartile	25%	12%	15%	N/A	22%
18-19 % Top Quartile	2%	1%	5%	6%	3%
17-18% Correct	52%	44%	49%	N/A	52%
18-19 % Correct	27%	20%	42%	45%	31%

5. *Community Engagement/Relationships:* Aspire Memphis has developed strong relationships with local stakeholders and the school community through:

- School Level Parent Advisory Councils
- Regional Parent Councils
- Partnerships and Grants
- State and Teacher Department of Ed Advisory Boards

6. *Greater Financial Sustainability:* By shifting to a local model, Aspire Memphis will decrease the funding deficit by \$2.4M over the next two years. These cost savings are largely due to the elimination of national office fees, resulting in more funding remaining in the Memphis region to support students, family & the community

